

## CRITERIA FOR REDUCED FACILITY FEE

THIS EXHIBIT IS EXHIBIT 1 referred to in the Master Guarantee Agreement dated \_\_\_\_\_ between the Export-Import Bank of the United States ("Ex-Im Bank") and \_\_\_\_\_ ("Lender") (the "Master Guarantee Agreement"). The capitalized terms used herein which are not defined shall have the meanings set forth in the Master Guarantee Agreement.

**Criteria for Reduced Facility Fee:** A Borrower or a Loan Facility that meets either **a.** or **b.** below is eligible for the reduced Facility Fee described in Section 3.01(b) of the Master Guarantee Agreement.

- a. Industry Comparison of Financial Ratios** – In evaluating a Borrower's financial condition, Lender must compare the Robert Morris Associates Annual Statement Studies ("RMA") industry comparison to such Borrower's most recent fiscal year end financial ratios. Lender must use the most recent RMA (i.e., published within the last twelve (12) months). Lender must use the ratios based on the appropriate peer group comparison using either "Current Data Sorted by Assets" or "Current Data Sorted by Sales" category for companies with the same primary Standard Industrial Classification Code. Such Borrower's ratios must meet or exceed RMA's **Median** Quartile, for a **minimum of four** of the following ratios:
 

**Note:** Ratios must be chosen from the same grouping (i.e., Current Data Sorted by Assets or Current Data Sorted by Sales).

  - i.** Current Ratio;
  - ii.** Net Sales/Total Assets;
  - iii.** Debt to Worth Ratio;
  - iv.** (Net Profit+Depreciation, Depletion, and Amortization Expenses)/Current Portion of Long Term Debt;
  - v.** EBIT/Interest;
  - vi.** Cost of Sales/Inventory; *and/or*
  - vii.** Sales/Accounts Receivable.

**Note:** In the unlikely event that no reasonably appropriate SIC code can be determined, such Borrower must either meet **b.**, below, or continue to be charged the Annual Facility Fee Percentage.
- b.** Such Borrower must have 100% of its Export-Related Accounts Receivable
  - i.** insured for comprehensive commercial and political risk, either through Ex-Im Bank or an insurer acceptable to Ex-Im Bank; *or*
  - ii.** covered by Irrevocable Letters of Credit the proceeds of which have been effectively assigned to Lender; *or*
  - iii.** some combination of (i) and (ii) covering 100% of such Borrower's Export-Related Accounts Receivable.